BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2019-64-WS

Application of CUC, Inc. for Approval of an Increase in Rates and Charges and Modifications to Certain Terms and Conditions for the Provisions of Water and Sewer Service Provided to its Customers at Callawassie Island and Spring Island in Beaufort County, South Carolina

REBUTTAL TESTIMONY OF SUSAN B. MIKELL

- 1 O. PLEASE STATE YOUR NAME.
- 2 **A.** My name is Susan B. Mikell
- 3 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?
- 4 A. My testimony responds to the Direct Testimony of the ORS's witnesses Michael Seaman-
- 5 Huynh, Kelvin L. Major, and Jakeyla S. James, and to respond to the Intervenors' testimony of
- 6 Patrick W. Parkinson.
- 7 Q. DOES CUC AGREE WITH ANY OF THE ORS'S ADJUSTMENTS LISTED BY
- 8 KELVIN MAJOR IN HIS DIRECT TESTIMONY?
- 9 A. We do not contest the ORS's proposed adjustments, except for its Adjustment 17
- 10 pertaining to the Tax Cuts and Jobs Act.
- 11 Q. DOES CUC AGREE WITH THE ORS'S RECOMMENDED OPERATING
- 12 MARGIN?
- 13 A. No. Michael Seaman-Huynh testified ORS recommends an operating margin of
- 14 12.51%.1

Direct Testimony of Michael L. Seaman-Huynh, p. 7, l. 8 – p. 8, l. 6.

- 1 Mr. Seaman-Huynh testified "CUC is a well-operated water and sewer utility with an
- 2 established record of providing quality services to its customers." He continued, observing
- 3 "During the Test Year, CUC demonstrated sound financial practices and provided reliable
- 4 service to its customers." According to Mr. Seaman-Huynh, CUC has had "minimal complaints"
- 5 in its communications with ORS, and the company's customers have come to expect "high-
- 6 quality and reliable service". So, I was surprised and disappointed that Mr. Seaman-Huynh
- 7 would recommend an operating margin below the three-year and five-year average of operating
- 8 margins awarded by the Commission. CUC provides quality service, has not been cited for
- 9 DHEC violations, and does not have significant customer complaints. The level of increase the
- 10 company has requested is also reasonable, so I believe our request for a 15.18% operating
- 11 margin is fair and reasonable.
- 12 Q. HOW DOES CUC RESPOND TO ORS'S RECOMMENDATION THAT IT
- 13 CREDIT \$78,110 TO ITS CUSTOMERS DUE TO THE EFFECTS OF THE TAX CUTS
- 14 AND JOBS ACT?
- 15 A. CUC does not agree with this recommendation. ORS describes this amount as "excess
- earnings", but as the agency's own audit demonstrates, CUC did not have any excess earnings as
- a result of the Tax Cuts and Jobs Act. Even after the law took effect at the beginning of the
- company's 2018 test year, we earned well below our authorized operating margin. Gary Walsh
- will provide a more detailed response to this adjustment in his testimony.
- 20 Q. HOW DOES CUC PROPOSE TO RECOVER THE NEW INCOME TAX
- 21 **OBLIGATION ON CIAC?**
- 22 A. Mr. Walsh will respond to this issue in his testimony.

1 Q. DOES CUC AGREE WITH ORS'S RECOMMENDATION TO ADD WATER

2 AND SEWER AVAILABILITY FEES TO ITS TARIFFS?

- 3 A. No. CUC would like to completely eliminate availability fees. They are difficult to
- 4 collect, and we no longer need them to operate the company. They were needed in the early days
- of the company when there were very few customers on the two islands. We billed \$14,168 of
- 6 water availability, \$12,936 of sewer availability charges, and \$12,031 in late charges for
- 7 availability fees during the test year, but only collected \$22,501. We were unable to collect 43%
- 8 of CUC's availability fees and late charges in 2018. My attached Exhibit SBM-1 details the
- 9 collection of these charges during the test year. It is cost-prohibitive to take legal action against
- 10 people for fees that total \$8 per month (\$4 each for water and sewer). The best we could
- accomplish is to get a lien on the property and hope to collect the debt if the lot is sold. We
- requested the elimination of the fees in our last rate case (Docket 2013-451-WS) but they were
- maintained as part of the settlement of that case.
- 14 Q. HOW DO YOU RESPOND TO THE INTERVENORS' WITNESS, PATRICK
- 15 PARKINSON'S COMMENTS REGARDING THE COMPANY'S TEST YEAR
- 16 **REVENUES?**
- 17 A. Mr. Parkinson disputes CUC's assertion that it has experienced a decrease in revenues.
- He refers to the gross revenues included in Exhibit D to the Application. While Exhibit D did
- 19 not include revenues for 2015, I will include them here, since that is the year he referenced. Our
- 20 gross revenues in 2015 were \$1,133,994, and our gross revenues in 2018 were \$1,277,067, a
- 21 12.5% increase over three years. However, CUC's net revenues, decreased 40% over the same
- 22 time period, from \$117,720 in 2015 to \$70,526 in 2018.

1 Q. HOW DO YOUR RESPOND TO MR. PARKINSON'S COMMENTS ABOUT THE

2 COMPANY'S TEST YEAR EXPENSES?

- 3 A. Mr. Parkinson states expenses rose from \$964,754 (2013 test year) to \$1,206,541 (2018
- 4 test year), an increase of \$241,787 or 25%. Over a five-year period, the increase amounts to 5%
- 5 per year. Our health insurance usually goes up about that amount each year, and we usually
- 6 increase employee wages by around 3% a year, so a 5% per year rate of increase is not
- 7 unreasonable.

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8 Q. HOW DO YOU RESPOND TO MR. PARKINSON'S COMMENTS ABOUT THE

GROWTH IN THE COMPANY'S EMPLOYEE SALARIES?

- Mr. Parkinson states that employee salaries increased from \$174,035 in 2013 to \$269,582
- in 2018, an increase of \$95,547 or 54.9%. These are unadjusted numbers from the Profit and
- Loss statement attached as Exhibit C to CUC's application. For instance, Mr. Parkinson failed to
- take into account that CUC is not requesting cost recovery for the \$25,320 salary of one of our
- office assistants. Neither is the company requesting recovery of any employee bonuses, which
- totaled \$8,525 in 2018. So, the \$95,547 increase cited by Mr. Parkinson amounts to \$61,702
- 16 charged to CUC's customers, or an annual rate of growth in salaries of 5.9%. It is important to
- 17 note that this amount does not represent an annual increase in wages, because it includes a new
- operator hired in November 2016, and his wages in 2018 were \$29,927.

19 Q. HOW DO YOU RESPOND TO MR. PARKINSON'S COMMENTS ABOUT THE

20 GROWTH IN THE COMPANY'S EMPLOYEE BENEFITS?

- Mr. Parkinson stated that employee benefits increased from \$162,072 in 2014 to \$204,458
- in 2018, an increase of \$42,416 or 26.2%. These are also unadjusted numbers from the Profit and
- 23 Loss statement attached as Exhibit C to CUC's application (I believe there may have been a typo

- in his testimony because I have the correct total at \$204,488, but the difference is not material).
- 2 But again, if we subtract the office assistant's benefits, which are not being charged to the
- 3 company, the total increase in benefits is only \$37,001 without any other adjustments. This
- 4 number would represent a rate of increase of 3.8% per year. This amount included the benefits
- 5 for the new operator hired in November of 2016. \$7,626 (insurance expenses of \$5,018 and 401-
- 6 K expenses of \$2,608).
- 7 Q. DO YOU AGREE WITH THE INTERVENORS' WITNESS, PATRICK
- 8 PARKINSON, THAT CUC HAS TOO MANY EMPLOYEES?
- 9 A. No. We operate and maintain two wastewater treatment plants, and we need at least two
- operators per plant. We also provide fast service for repairs which usually require more than one
- person to accomplish. The size of the islands necessitates at least this number of operators, and
- 12 they also have to do weekend shifts to check on the plants.
- We have a local office manager, who is a point of contact for customers, including
- billing, payments, repairs and maintenance orders, scheduling, and general questions. She
- knows the customers well and has been with us for 20 years.
- 16 The Florence office has four employees the two officers who have worked for the
- 17 company since its inception, and two office assistants who are learning the business, so that there
- is no lapse in the company being managed, in the event of something happening to the officers.
- 19 As I mentioned above, CUC has removed the salary and benefits for one of the office assistants
- 20 from its rate case expenses.
- 21 O. PLEASE RESPOND TO MR. PARKINSON'S STAFFING
- 22 RECOMMENDATIONS FOR CUC.

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Mr. Parkinson proposes that all employees in the Florence office be eliminated, and their A. duties be assumed by "upgraded" positions in the local office. However, the local staff does not have the time or training to assume the work of the of the Florence office. In Florence, we do all the accounting and manage bill payments, payroll, insurance, taxes, and required reporting. We also maintain the accounting and the billing software systems, which is no small task. We research and authorize pricing for acquisitions and improvements. We handle audits and rate cases. If Mr. Parkinson is suggesting that CUC replace its Operations Manager and Office Manager with new employees. I do not believe it would be possible to find a "General Manager" who could, or would, be willing to operate a backhoe, read meters, perform water and sewer repairs, and to be responsible for all the accounting and other paperwork being performed in the Florence office. Neither do I believe we can find a "Director of Administration" who could assume the additional administrative duties of the Florence office and provide adequate service to CUC's customers. Also, these employees have been with us many years and their knowledge of the company and its systems is invaluable. Mr. Parkinson's recommendations are not feasible and would harm CUC's ability to serve its customers.

Mr. Parkinson's comments suggest the employees in the Florence office serve no purpose, and nothing could be further from the truth. Our family took a risk and invested in this utility 35 years ago, and we are still here. The next generation is being trained to run this company that we have successfully operated for these 35 years. In all of those years, we have never been fined by DHEC, and we have had very few service complaints. This is only our fourth application for a rate increase in 35 years. We are proud of our work and our record.

Q. PLEASE DESCRIBE CUC'S FLORENCE OFFICE.

- 2 A. I work from my home in a small office dedicated completely to CUC, Inc. My husband
- 3 and I built our home in 1997 and included this office in its design. Prior to working from this
- 4 office, we operated out of a small office building located adjacent to the home of my father, Billy
- 5 F. Burnett. His home is in the same neighborhood as mine, so it is easy for us to go back and
- 6 forth.

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- Once I was in my home with its office, I began working from here, and he works from his
- 8 home office, or joins me here in my office. We speak almost daily with each other and with the
- 9 Callawassie Island staff, and we share data and information electronically. The company pays
- me \$300 per month in rent for this dedicated space, and there is no way that I could get an office
- elsewhere for that amount of money. The company pays no additional rent, as we own the space
- 12 for the local office. While the ORS did not visit my office during this rate case, they have done
- so in the past and observed how we operate and maintain records.
- 14 Q. MR. PARKINSON STATES HE WAS DENIED THE OPPORTUNITY TO VISIT
- 15 THE FLORENCE OFFICE. IS THAT TRUE? IF SO, PLEASE EXPLAIN WHY.
- 16 A. Mr. Parkinson requested to visit CUC's Florence office for one-hour at 11:00 a.m. on
- October 29, 2019. According to the Intervenor's attorney, the purpose of his visit was "to get a
- sense of the Company business that takes place there". He did not want to review documents or
- 19 records during the visit. We denied his request, and instead provided him photos of the work
- space and a detailed description of the duties performed in the office on that day. I've attached a
- 21 copy of CUC's response as Exhibit SBM-2.

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1 Q. DOES CUC AGREE WITH MR. PARKINSON'S RECOMMENDATION THAT

2 IT REQUIRE ITS EMPLOYEES TO CONTRIBUTE 28% PERCENT OF THE COST OF

THEIR HEALTH INSURANCE PREMIUMS?

- 4 A. No, we do not. We always have provided this benefit to our employees. While the price
- 5 of health insurance has risen dramatically over the years, we feel this must be part of our benefits
- 6 package. It not only promotes wellness among our employees, but it also provides them with a
- 7 level of peace and security for their families. We take pride in the fact that most of our
- 8 employees have been with us for many years. For the test year, the cost of our health insurance
- 9 for all employees was \$163,476. I did not include any expense for my office assistant, Jessica
- Jordan, as all her expenses were excluded in this rate case. The breakdown is as follows:
- Our plan has a \$1,500/\$3,000 single/family deductible and \$4,000/8,000 out-of-pocket
- 12 network/out of network, so our employees still have to spend a considerable amount of their own
- money for medical expenses.

14 Q. WOULD AN ELECTRONIC PAYMENT SYSTEM REDUCE CUC'S EXPENSES?

- 15 A. While it might reduce our expenses, our first concern has always been for the security of
- our customers' information. We are, however, planning to pursue this idea, because we
- 17 understand that this is something the customers want.
- I strongly disagree with Mr. Parkinson's statement that traveling customers are threatened
- 19 with shut-off of their water service because they do not have the ability to make payments. Our
- staff works hard to keep from discontinuing anyone's service. Because we bill bi-monthly, we
- 21 allow the entire first month of the billing cycle for payments to be made. Delinquent notices are
- 22 mailed at the beginning of the second month of the cycle. Customers then have ten days to make
- 23 their accounts current. If they don't make them current, we always try and reach them by phone,

- and as a last resort, place a notice on their doors to inform them of the cut-off date. If a customer
- 2 is traveling, all they have to do is contact the office for their bill amount, and we will work with
- 3 them in any way that we can. Many of our customers who travel will pay a lump sum prior to
- 4 their trips, and simply allow the overage to be a credit to their accounts. Also, customers who
- 5 take lengthy trips often have someone checking on their homes and their mail.

6 Q. HOW DO YOU RESPOND TO MR. PARKINSON'S RATE COMPARISON

ATTACHED AS EXHIBIT ONE TO HIS TESTIMONY?

- 8 A. Mr. Parkinson's Exhibit One is flawed. First, he does not provide the criteria he used,
- 9 such as gallons of usage, for the calculation of these rates. Our office located rates for every
- single one of these entities except for Moss Creek, which did not have their rates posted online.
- All of the others are either public service districts, municipalities, or nonprofit corporations, none
- of which pay taxes, so Mr. Parkinson is essentially comparing apples and oranges.
- They are much larger than CUC, as well. We calculated bill amounts using our average
- 14 Callawassie Island usage amount of 3,202 gallons. We were unable to determine how Mr.
- 15 Parkinson made his calculations. The closest utility in size to us is Fripp Island, with 1,604 water
- accounts and 1,538 wastewater accounts. Their average monthly water/sewer bill is \$60 versus
- 17 \$80 for Callawassie Island. Again, they are unregulated by the Public Service Commission,
- untaxed, and nonprofit. The rest of the list of utilities has customer account numbers as follows:
- 19 Beaufort-Jasper, 92,000; Broad Creek, 5,200; Florence, 52,710; Hilton Head, 19,000; South
- 20 Island, 25,000. CUC has just over 2,000 customers, including water and wastewater. These are
- 21 hardly fair comparisons.

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- Presumably, Mr. Parkinson included the municipal City of Florence Utilities on his list,
- because of the location of our office. The average bill for an out-of-city water and sewer

- 1 customer in Florence, (applying our average usage of 3,202) is \$89, which is higher than the
- 2 average bill on Callawassie Island. Florence serves 32,060 water customers and 20,650 sewer
- 3 customers, according to its website.
- 4 Also, Mr. Parkinson's exhibit shows CUC customers having a monthly bill of \$150 and a
- 5 monthly proposed bill of \$182. These numbers are actually closer to a bi-monthly bill. The
- 6 average bill amount for water and sewer service on Callawassie Island is \$79.61 per month or
- 7 \$159.22 bi-monthly. With the proposed rate increase added in full, those numbers would be
- 8 \$96.94 per month or \$193.88 bi-monthly.
- 9 Mr. Parkinson states that CUC customers will pay the highest rates in South Carolina if
- 10 the Commission approves our requested rates. This is not true. Using the same consumption per
- month of 3,202 gallons, and rates obtained from the Public Service Commission's website, I
- offer the following comparison of combined monthly water and sewer bills:
- CUC: \$80/month \$97/month with full requested increase
- Daufuskie Island Utility Company, Inc. (Melrose): \$92/month
- Daufuskie Island Utility Company, Inc. (Haig Pt.): \$97/month
- Harbor Island Utilities, Inc.: \$108/month
- Blue Granite Water Company: \$126/month
- 18 Q. MR. PARKINSON CLAIMS CUC WANTS TO RAISE THE COST OF WATER
- 19 PURCHASED FROM THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY
- 20 TO \$6.63 PER 1,000 GALLONS, IS THAT TRUE?
- 21 A. Yes, that is the rate we have requested, because it is needed for us to receive a fair
- 22 operating margin. We are responsible for the operation, repairs, and maintenance of the entire

- 1 water distribution system, as well as the water meters and their readings. I understand this
- 2 distinction may not be apparent to our customers, but it is important for ratemaking purposes.
- 3 Q. MR. PARKINSON CLAIMS THAT CUSTOMERS ARE NOT GIVEN THE
- 4 NAMES, PHONE NUMBERS, OR EMAIL ADDRESSES OF THE FLORENCE, S.C.
- 5 EMPLOYEES. IS THAT TRUE?
- 6 A. No. I have frequently corresponded by email with Mr. Parkinson and Mr. Dan DuBreuil,
- 7 the former General Manager of the Spring Island Club. Samples of this correspondence are
- 8 attached as Exhibit SBM-3 to my testimony. I also mailed letters to Mr. Clifford Dykes, the
- 9 Chairman of the Callawassie Island POA and to Mr. Bill Griffon, the current General Manager
- of the Spring Island Club offering to meet to discuss the rate application. These letters attached
- included our business address, our business phone number, my email address, and my cell phone
- 12 number. Samples of this correspondence are attached as Exhibit SBM-3 to my testimony. We've
- had the same telephone number the entire time CUC has been in business, and my email address
- is the only one I have ever had. If you type our business name into a search engine, the phone
- 15 number will appear. Furthermore, my employees are told to provide our contact information to
- any customer who wishes to contact us. The reason we do not put the Florence office number on
- the billing invoices is to avoid confusion. Our local staff is the first point of reference for those
- 18 calls. Having said that, our computers in Florence stay up to date with the current billing
- information, and we are always happy to speak with customers, or to respond via email, if that is
- 20 their preference
- 21 Q. DOES THIS CONCLUDE YOUR TESTIMONY?
- 22 **A.** Yes, it does.

EXHIBIT SBM-1

(Availability Fee Collections)

CUC Availability Fees for Test Year by Bill Date		3/1/2018	5/1/2018	7/1/2018	9/1/2018	11/1/2018	01/01/2019	Totals
Water and	ARREARS	59,213	61,728	64,472	67,084	70,046	72,415	
Sewer	WATERAMT	2,192	2,168	2,160	2,152	2,144	2,120	12,936
Customers	SEWERAMT	2,192	2,168	2,160	2,152	2,144	2,120	12,936
	LATECHGAVAIL	1,802	1,881	1,961	2,043	2,124	2,202	12,013
	AVAILADJUST	-213	15	-27	-95	-85	-122	-528
	PAYMENTS	3,761	3,061	2,076	3,476	4,284	4,679	21,338
	BALANCE	53,312	56,595	60,789	63,564	65,703	67,483	
Water	ARREARS	18	41	77	110	120	148	
Only	WATERAMT	216	208	208	200	200	200	1,232
Customers	SEWERAMT	0	0	0	0	0	0	0
	LATECHGAVAIL	1	2	3	3	4	5	18
	AVAILADJUST	-3	-5	-3	-3	-5	0	-18
	PAYMENTS	166	249	160	179	330	80	1,164
	BALANCE	-162	-206	-158	-96	-227	-102	
Totals	ARREARS	59,231	61,769	64,549	67,194	70,167	72,564	
	WATERAMT	2,408	2,376	2,368	2,352	2,344	2,320	14,168
	SEWERAMT	2,192	2,168	2,160	2,152	2,144	2,120	12,936
	LATECHGAVAIL	1,803	1,883	1,963	2,047	2,128	2,207	12,031
	AVAILADJUST	-216	10	-29	-98	-90	-122	-545
	PAYMENTS	3,927	3,310	2,236	3,655	4,614	4,759	22,501
	BALANCE	53,150	56,389	60,631	63,469	65,476	67,381	

11/14/2019

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EXHIBIT SBM-2

(CUC's Response to Mr. Parkinson's Request to Visit Florence Office)

CUC, Inc.

Florence Office

October 29, 2019

- Payroll
- Organize files and clean office
- Review UnitedHealthcare Renewal and call agent to discuss
- Complete U.S. Department of Commerce Annual Business Survey
- Post Invoices
- Post Deposits
- Check bank accounts
- Complete UnitedHealthcare Employee Info Form
- Call Callawassie office staff to discuss upcoming mailing
- Create and print mailing labels
- Rate Case discussion











EXHIBIT SBM-3

(Sample Correspondence)

From: Suzy <smikell@aol.com>

To:

Subject: Re: E mail address

Date: Tue, Sep 29, 2015 7:10 am

Thank you. I will forward you the data that I provided to Spring Island.

Suzy

Susan B. Mikell Secretary-Treasurer CUC, Inc. 2109 Timberlane Drive Florence, SC 29506 (843) 669-0130 (843) 669-0135 Fax smikell@aol.com

----Original Message-----

From: Patrick Parkinson <

To: smikell <smikell@aol.com> Sent: Mon, Sep 28, 2015 8:21 pm

Subject: E mail address

Susan.

In response to your phone call my email address is

Pat Parkinson

From: Patrick Parkinson <

To: smikell <smikell@aol.com>; fellerbe <fellerbe@robinsonlaw.com>

Cc: billyfburnett <billyfburnett@sc.rr.com>;

Subject: Re: CUC Meeting

Date: Tue, Oct 11, 2016 7:19 am

Suzy,

Thank you for your email. We just returned to the island late yesterday and have major cleanup and damages to deal with. Please advise me when the meeting will be re-scheduled. Thank you.

Pat Parkinson

----Original Message---

From: Suzy Mikell <smikell@aol.com>

To: Frank R. Ellerbe III <fellerbe@robinsonlaw.com>

Cc: Patrick Parkinson - Billy Burnett - Billy

Sent: Mon, Oct 10, 2016 8:18 am

Subject: CUC Meeting

Good morning Frank,

In light of the aftermath of Hurricane Matthew, and the fact that many of us are still without power, we'd like to reschedule tomorrow's meeting.

I've asked Keith to look at his calendar and I'll be in touch when I have more information about a potential date. I hope you and yours made out ok during the storm. I wasn't quite expecting the enormous impact it had here.

Thanks, Suzy Mikell CUC, Inc.

Sent from my iPhone

From: D Dubreuil <

To: Suzy Mikell <smikell@aol.com>

Subject: Re: CUC

Date: Tue, Oct 10, 2017 1:46 pm

Yes

<u>Dan DuBreuil</u> <u>General Manager/COO</u> <u>Office</u> Mobile



<u>Spring Island</u> 42 Mobley Oaks Okatie, SC 29909

On Oct 10, 2017, at 1:40 PM, Suzy Mikell < smikell@aol.com > wrote:

Hi Dan, Is George Hender still President of SIPOA?

Thanks, Suzy

Sent from my iPhone

From: D Dubreuil < To: Suzy Mikell <smikell@aol.com> Subject: Re: BJWSA Increase Date: Wed, May 17, 2017 10:01 am</smikell@aol.com>
Thanks Suzy.
Would you mind letting me know how gallons of water we used for the club and poa last year?
We are beginning the budgeting process and would like to estimate the overall impact.
I understand it's a 7% increase from BJWSA, but do we need to assume an additional increase from CUC?
Thanks
Dan
Dan DuBreuil
General Manager/COO



42 Mobley Oaks Ln

Spring Island, SC 29909

Office

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www.springisland.com

From: Suzy Mikell <smikell@aol.com>
Date: Tuesday, May 16, 2017 at 4:45 PM

To: D Dubreuil < Subject: BJWSA Increase

Hi Dan,

Per our discussion today, I'm sending you the letter from BJWSA regarding their rate increase of 16 cents/kgal. It goes into effect on July 1, 2017.

Suzy

Susan B. Mikell

President

CUC, Inc.

2109 Timberlane Drive

Florence, SC 29506

(843) 669-0130

(843) 669-0135 Fax

smikell@aol.com

1779 Byrnes Boulevard • Florence, SC 29506 • Phone 843.669.0130

July 26, 2019

Mr. Cliff Dykes Chairman Callawassie Island POA 176 Callawassie Drive Okatie, SC 29909

RE: CUC Rate Increase

Dear Mr. Dykes,

I wanted to inform you and the Callawassie Island POA that CUC has filed for an increase in rates. We would like to schedule a meeting there to discuss the contents of this application and the reasons for it. I am enclosing a schedule of existing and proposed rates for your review.

I am sending this letter to you, because I understand that you have assumed the position formerly held by Mr. Pat Parkinson. I have enjoyed working with Pat, and I look forward to meeting you and doing the same.

Please feel free to contact me anytime at the phone number above, on my cell number, which is (843) 992-5960, or by email to smikell@aol.com. I look forward to hearing from you.

Sincerely yours,

Susan B. Mikell President

Enclosure

cc: Charles Terreni Marshall Bishop

Phone 843.669.0130

July 26, 2019

Mr. Bill Griffon General Manager Spring Island Club 42 Mobley Oaks Lane Okatie, SC 29909

RE: CUC Rate Increase

Dear Mr. Griffon,

I wanted to inform you and the Spring Island POA that CUC has filed for an increase in rates. We would like to schedule a meeting there to discuss the contents of this application and the reasons for it. I am enclosing a schedule of existing and proposed rates for your review.

I am sending this letter to you, because I understand that you have assumed the position formerly held by Mr. Dan DuBreuil. I enjoyed working with Dan, and I look forward to meeting you and doing the same.

Please feel free to contact me anytime at the phone number above, on my cell number, which is (843) 992-5960, or by email to smikell@aol.com. I look forward to hearing from you.

Sincerely yours,

Susan B. Mikell President

Enclosure

cc: Charles Terreni Marshall Bishop